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Energía Costa Azul LNG Terminal Status Report

Sempra LNG Update

June 5, 2008

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Energía Costa Azul LNG
1.0 Bcf/d

- Approximately $975M capital cost; includes land, terminal, and breakwater.
- First West Coast LNG receipt facility
- Capacity fully contracted
- Commercial operation May 2008
- Expandable to 2.5 Bcf/d
  - Key permits in place
- Nitrogen Treatment Facility
  - Approximately $110M capital cost
  - Operations begin Q4 2009
- 100% owned by Sempra LNG

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ECA's First LNG Shipment

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Project Aerial View

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Design Parameters

- Design Basis
  - Send-out — 1.0 scfd (1.3 mm sccfd @ peak)
  - Unloading rate — 12,000 m^3/hr
- Major Equipment
  - Breakwater — 1 – 648 m
  - Storage Tanks — 2 – 160,000 m^3 full containment
  - Unloading berths — 1 – Designed for 200,000 m^3 ships
  - Intank pumps — 4 – 3 required to meet design send-out
  - Send-out pumps — 7 – 6 + 1 spare
  - Seawater pumps — 4 – 3 + 1 spare
  - Vaporizers — 6 – 5 + 1 spare open rack vaporizers
  - BOG compressors — 1
  - 14 Mw gas turbine — 3

ECA Terminal Start-Up

- Commissioning of the ECA Terminal May 14, 2008
- Cargo unloading began April 19, 2008
- Pipeline flow paths changed direction during start-up
- After Terminal commissioning flow patterns reverted to historical patterns.

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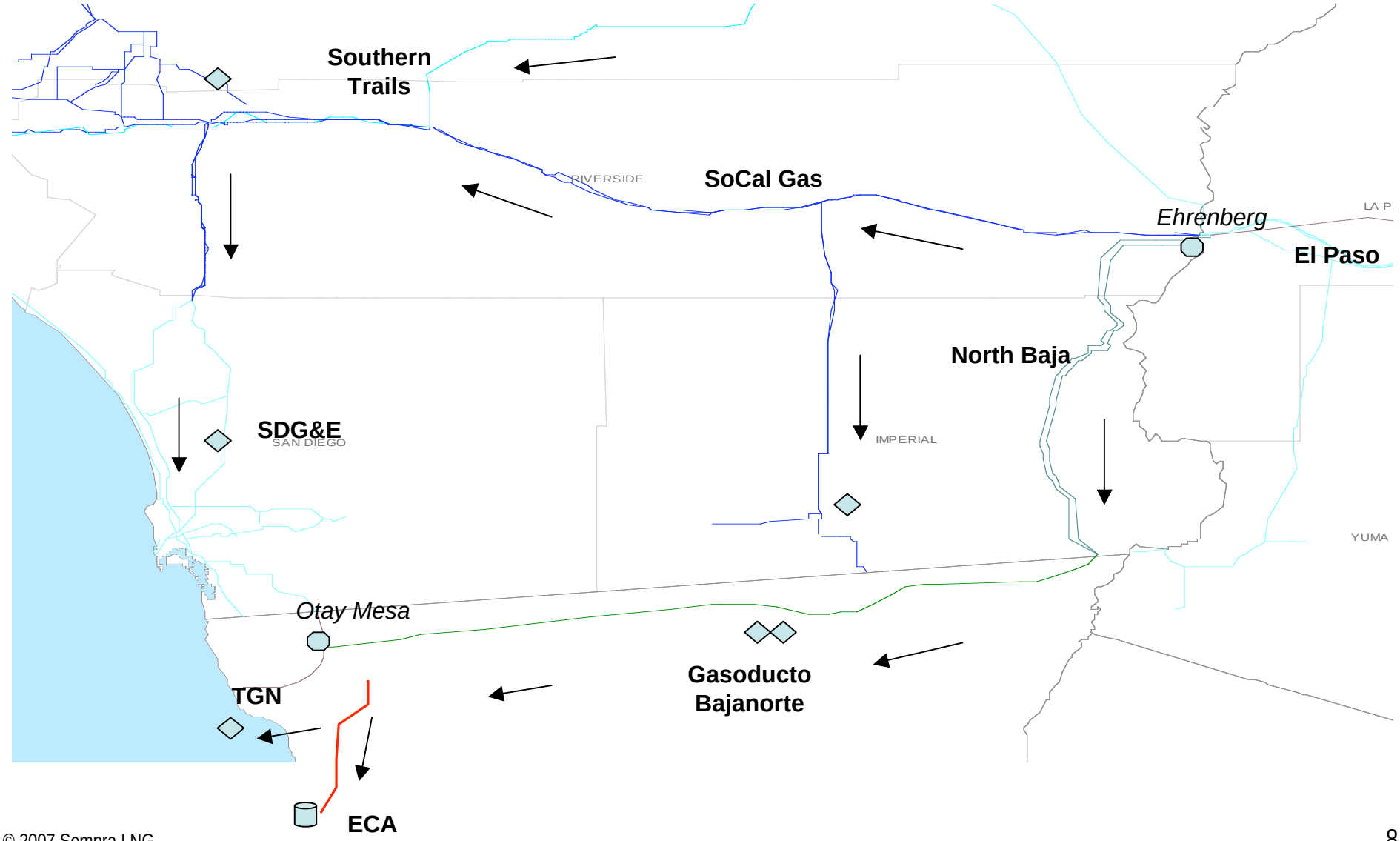
Current Flow Direction



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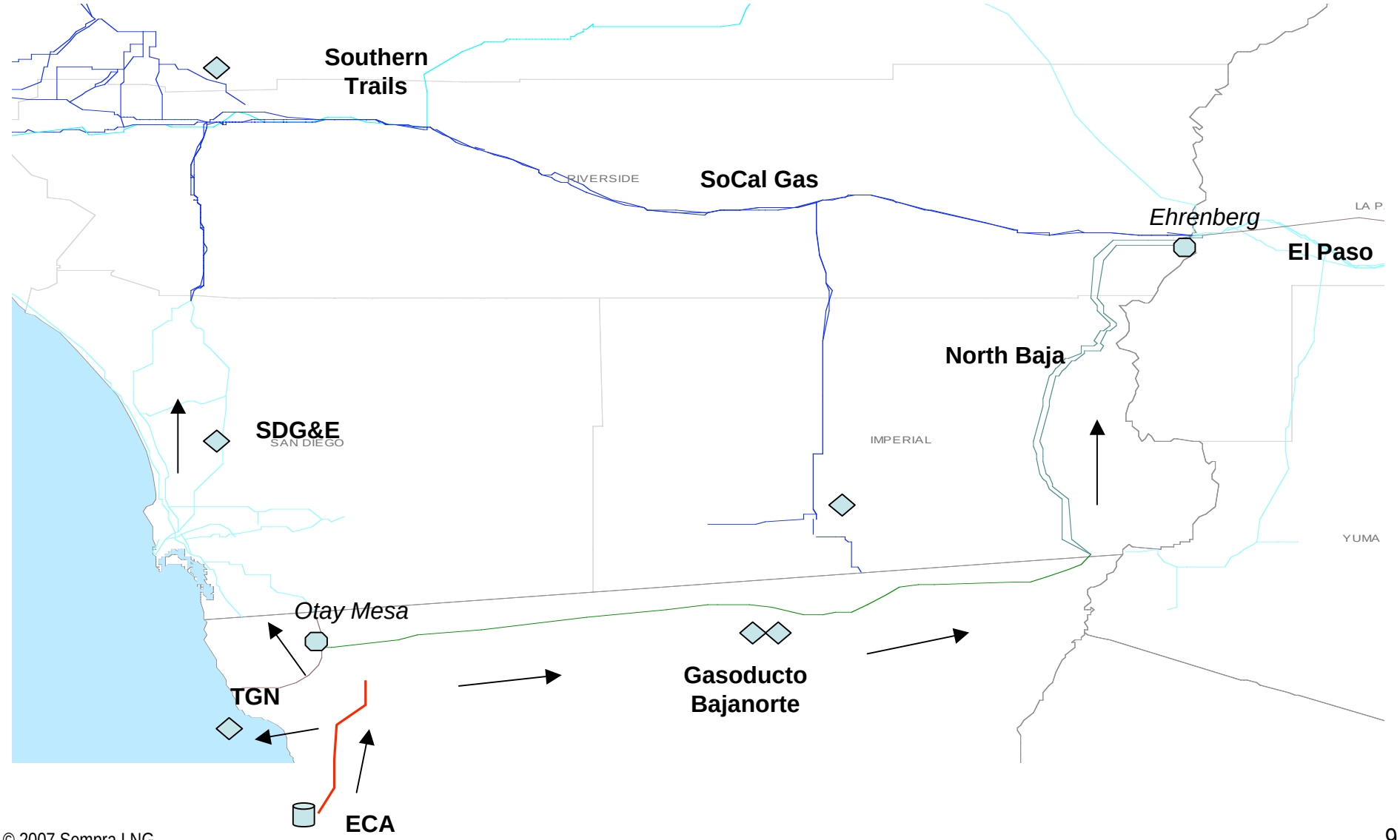
Flow Reversal During Start-up Test



Key ECA Contracts

- Shell Capacity Contract
  - .5 Bcf/d
  - 20-year term
  - Starts May 2008
- BP/Tangguh Partners Gas Purchase Agreement
  - .5 Bcf/d
  - 20-year term
  - Contract has diversion right
    - SLNG is kept whole through payment from BP for diverted volumes
  - Volumes start in 2009
    - Ramp-up Q2-Q3
    - Full volumes Q4

Key ECA Contracts *(Continued)*

- CFE Contract
  - 15-year agreement
  - ~ .15 BCFD average
  - Begins July 1, 2008
  - Volumes ramp up after 2 years

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Nitrogen Treatment

- Facility Design
  - Three 6 MMscfd membrane air separation trains (12 MMscfd firm capacity and 6 MMscfd spare capacity)
  - Two gas turbine generator units (1 in operation, 1 spare) identical to existing gas turbine units

- Project Status
  - Site preparation work and certain pre-investments complete
  - Contract award to ICA/Fluor Daniel
  - Construction period 20 months from contract award
  - COD expected approximately Oct 2009

Nitrogen Project Site

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US Role in LNG

- The U.S. will play a key role in the global commoditization of natural gas due to its:
  - Location, size and liquidity of market
  - Production and storage flexibility
  - Current commodity pricing mechanism
  - Regas infrastructure

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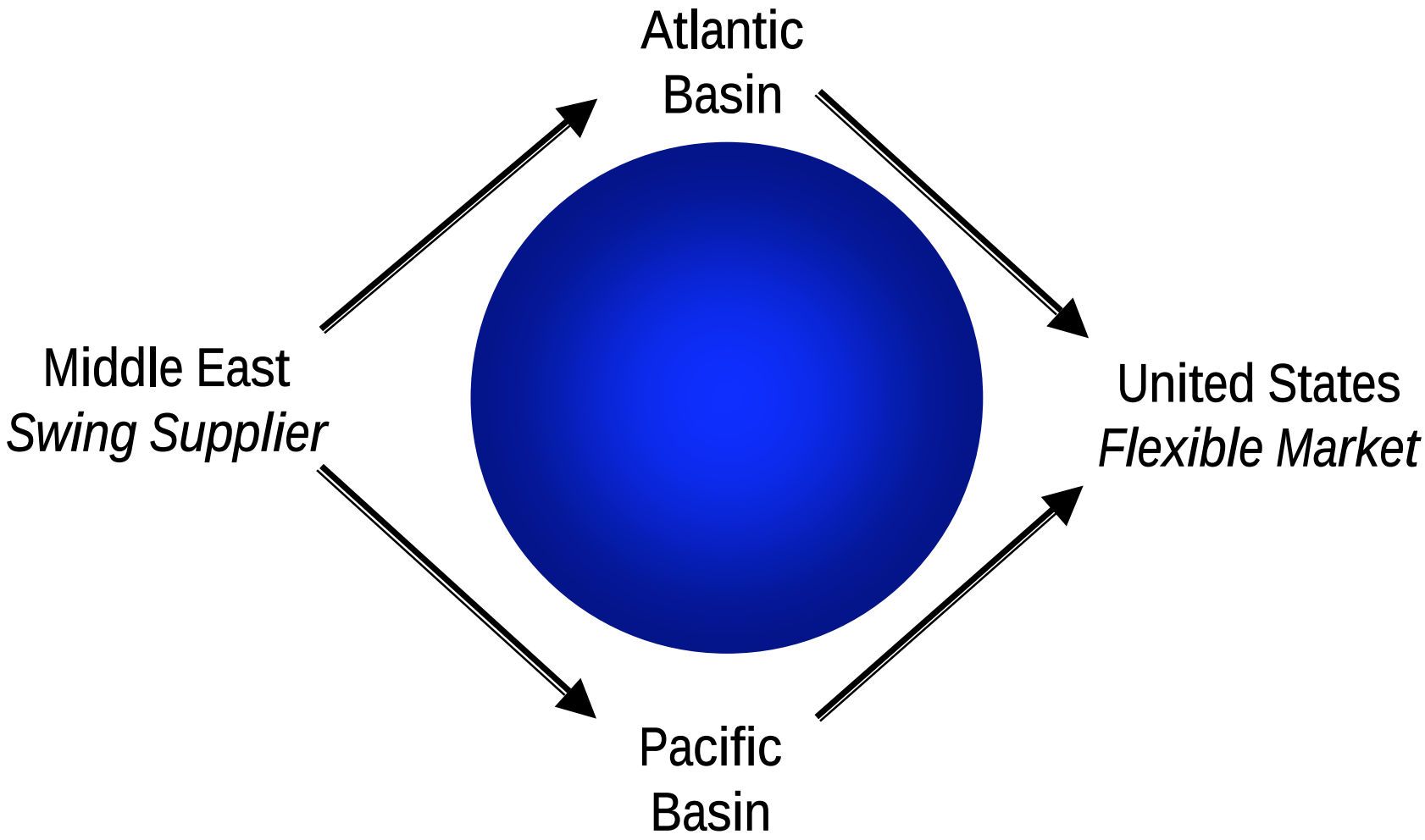
United States and Middle East Complementary Roles



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Ample US Storage to Accept Summer Cargoes

Gas Storage

	Consumption Bcf/d	Storage TCF	Days Storage
United States	63.2	4.11	65
Europe	52.5	2.70	51
Pacific	14.7	0.50	34

Sources: IEA: OECD Europe and Asia, US EIA, 2006.

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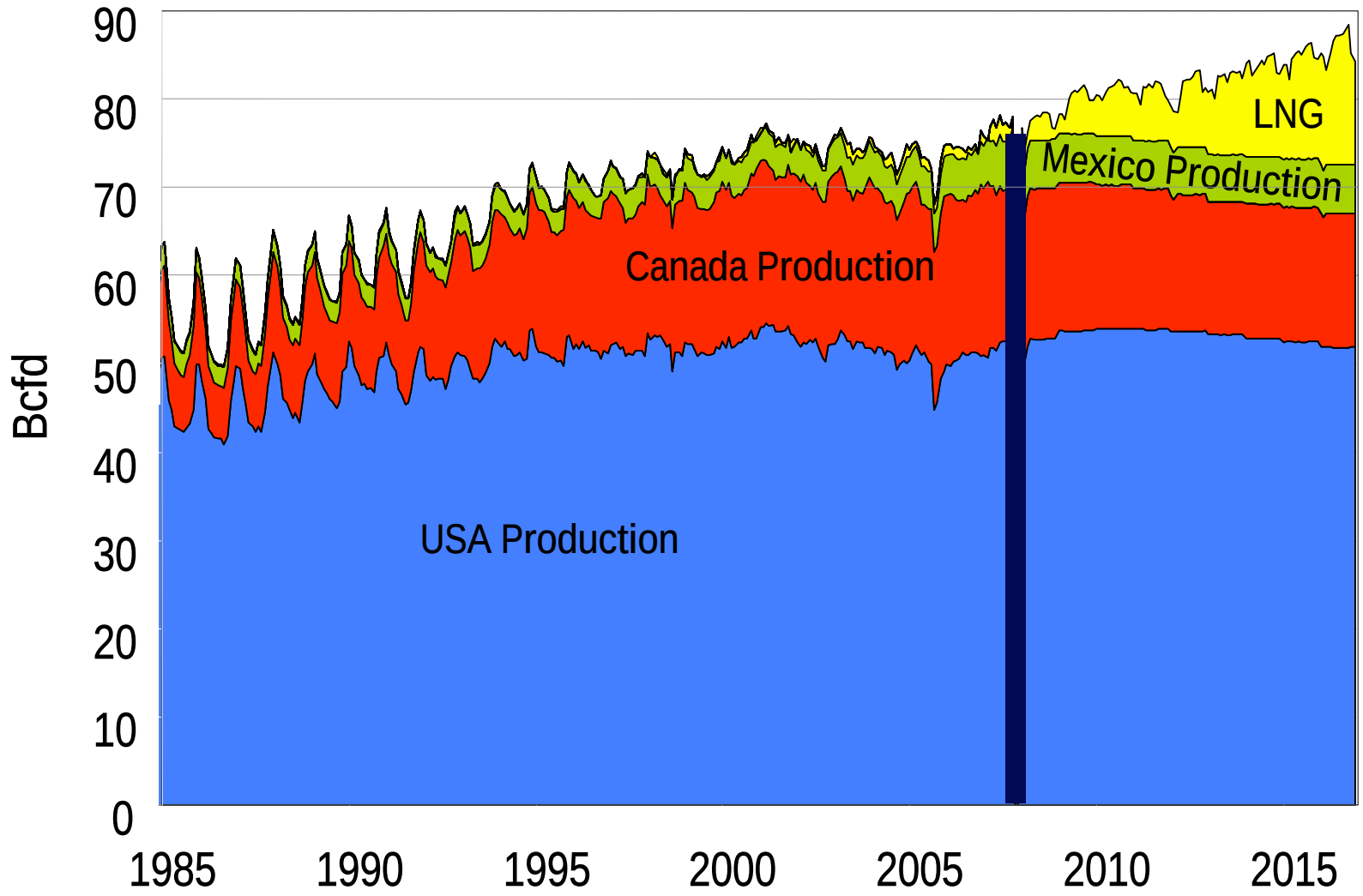
North American Natural Gas Supply



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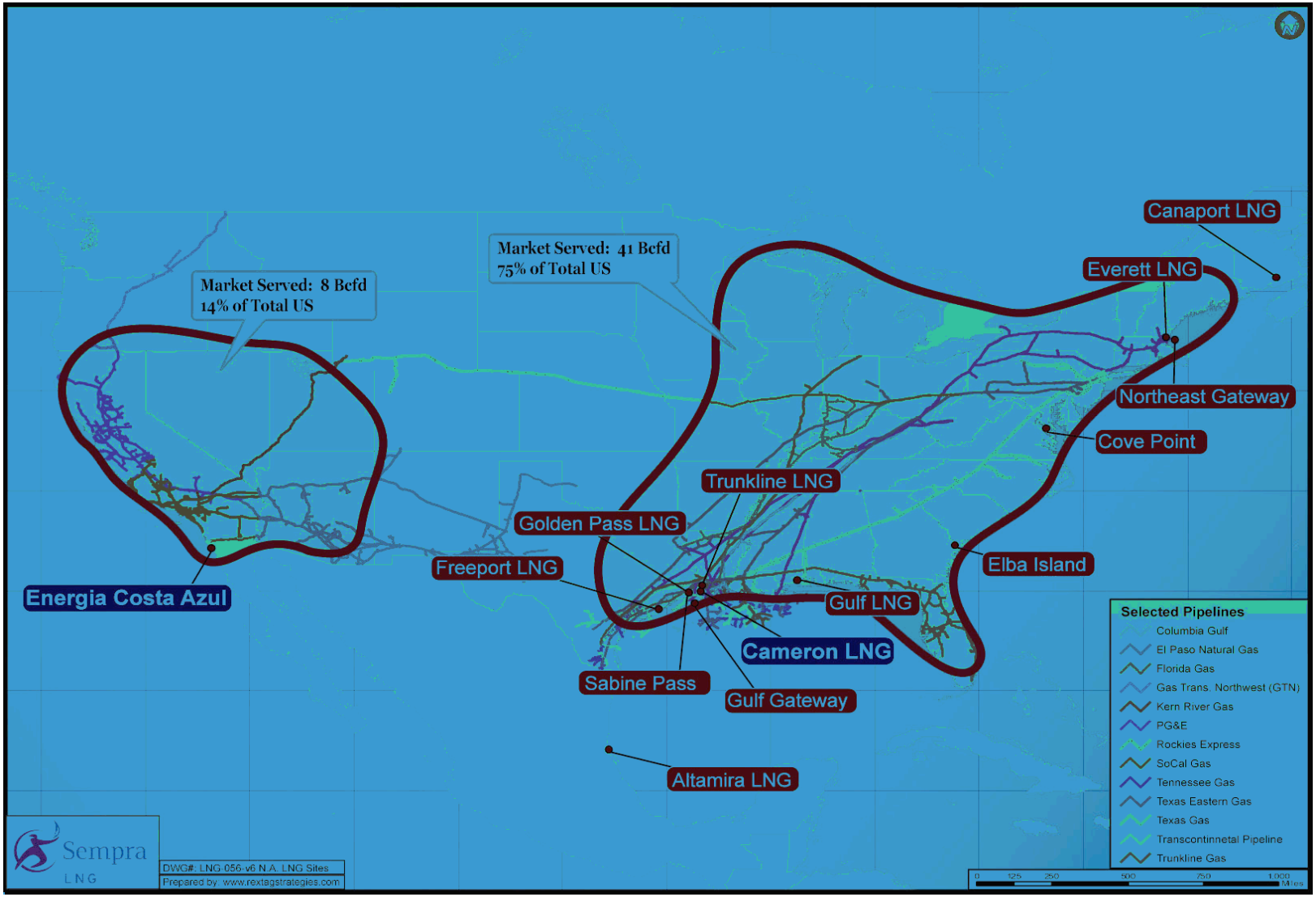
Numerous NorAm Terminals: Existing and Under Construction



Growing North American Terminal Capacity Can Accommodate Growing Supplies

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Terminals - Current and Under Construction

	BCF/d	When
Altamira	0.50	Now
Cove Point	1.00	Now
Elba Island	0.81	Now
Everett	0.72	Now
Gulf Gateway	0.40	Now
Trunkline LNG	1.80	Now
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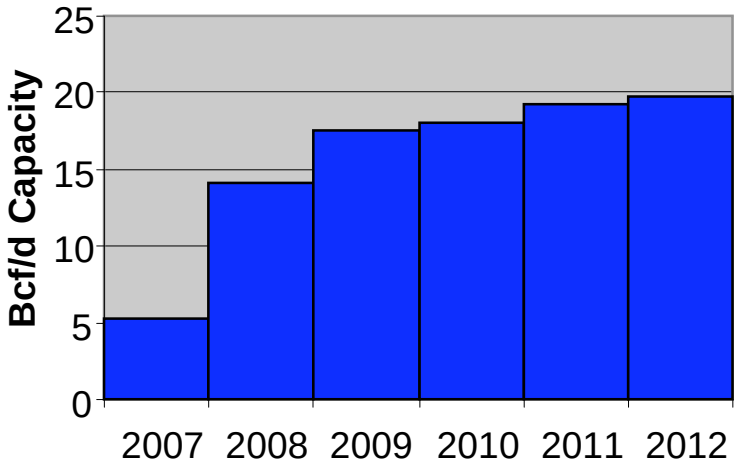
Freeport	1.50	2008
Sabine Pass	2.60	2008
Northeast Gateway	0.40	2008
Cove Point Exp.	0.80	2008
Cameron	1.65	2008
Canaport	1.00	2008
Golden Pass	2.00	2009
Sabine Pass Exp.	1.40	2009
Elba Island Exp. #1	0.40	2010
Gulf LNG	1.30	2011
Elba Island Exp. #2	0.50	2012
	19.78	



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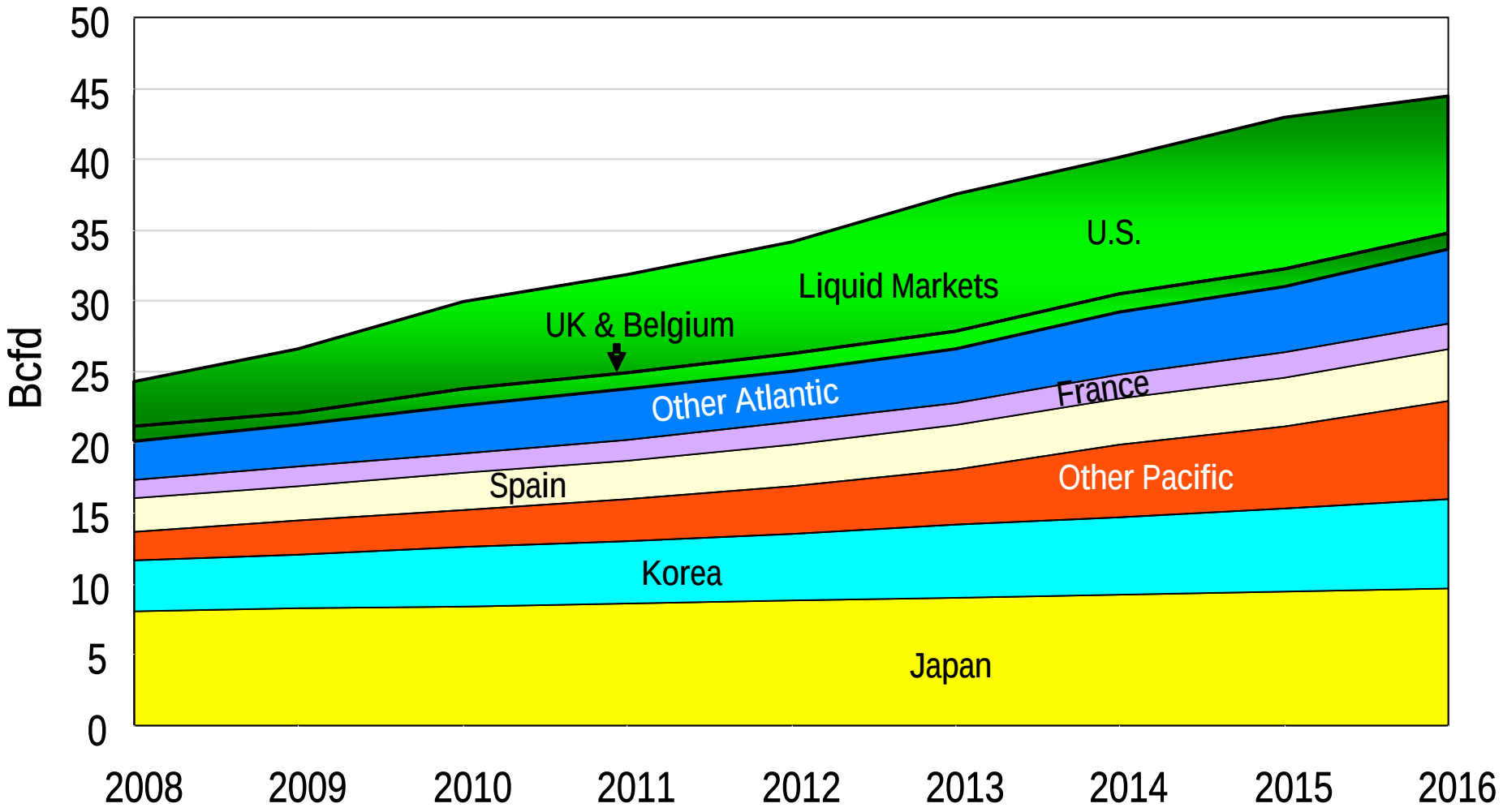
Increasing Flows to Liquid Markets



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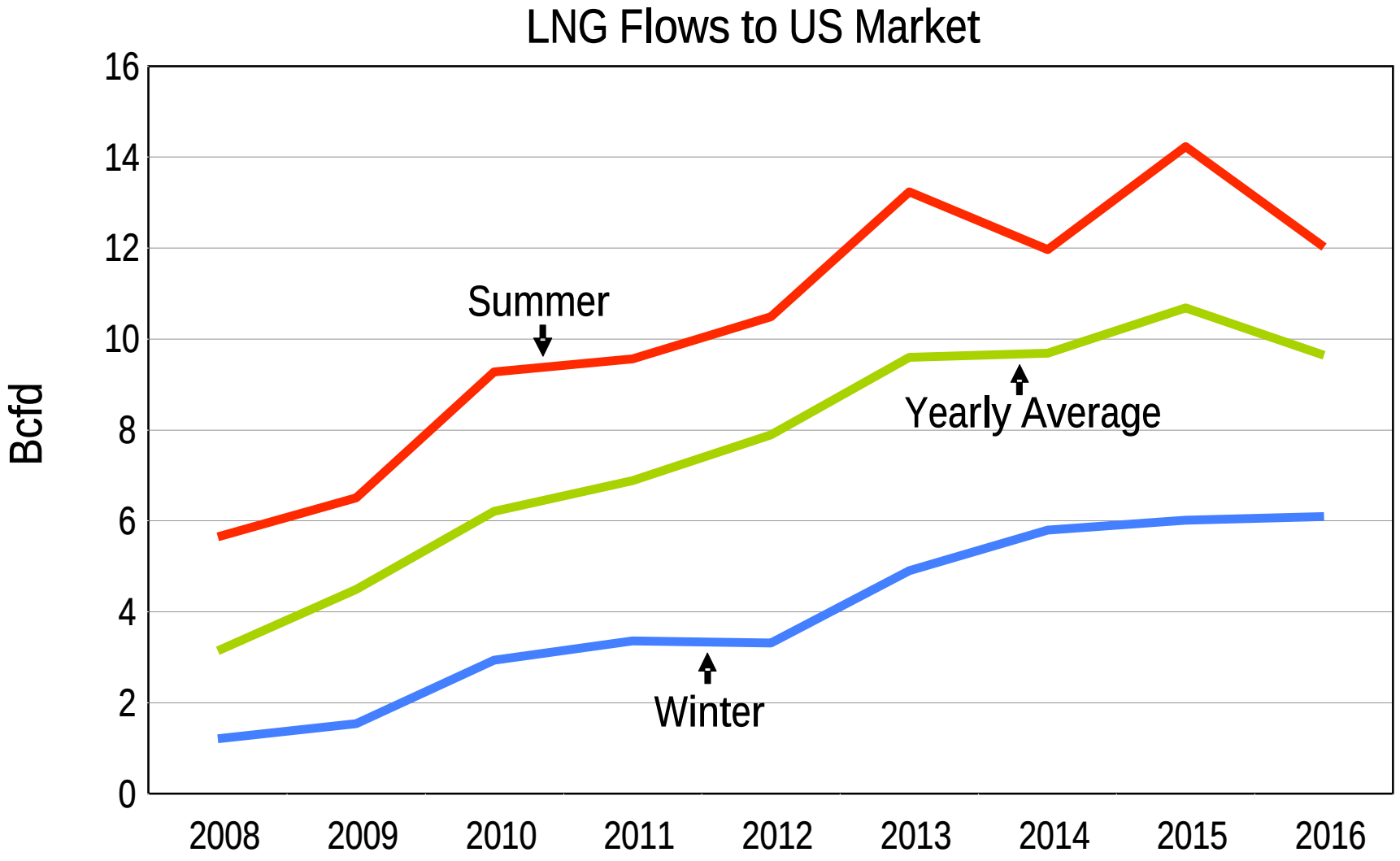
The U.S. Will be Used to Balance the Global Market



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Summary

- The large number of new liquefaction plants coming on line in the next three years will create an LNG supply push in the global market.
- The size and liquidity of the US market will enable it to readily accommodate the added supply.
- The US will assume a growing role as the one market that can accommodate market disturbances around the world such as cold weather, hurricanes, nuclear outages, and pipeline disruptions.
- As US LNG demand grows we will move toward a world gas market, with the US, Europe, and Asia as the key interlinked markets.
- Expect gas to become a global commodity more quickly than previously expected.